

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7209

BILL NUMBER: HB 1761

NOTE PREPARED: Jan 10, 2007

BILL AMENDED:

SUBJECT: Satellite Sports Blackouts.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill prohibits a satellite television carrier from deleting the live television broadcast of a sports event from the programming provided to a subscriber in a community not served by a cable operator, except in accordance with the federal satellite sports blackout rules. The bill provides that if a satellite carrier receives notice of a satellite sports blackout from the holder of the broadcast rights to the event, the carrier shall not delete the sports event from the programming provided to a subscriber located outside the relevant specified zone for the blackout (as determined under federal law), even if the subscriber lives within a ZIP code identified in the holder's notice. The bill also prohibits a satellite carrier from deleting a sports event if the carrier has, within the relevant specified zone, fewer than 1,000 subscribers who subscribe to the: (1) nationally distributed superstation; or (2) network station; carrying the event. This bill provides that a knowing violation of the prohibited acts is: (1) a Class B misdemeanor; and (2) a deceptive act actionable by the Attorney General. The bill provides that a subsequent violation is a Class A misdemeanor. The bill also provides a cause of action for: (1) damages; and (2) injunctive relief; for a subscriber aggrieved by a violation.

Effective Date: Upon passage.

Explanation of State Expenditures: This bill could increase the administrative costs of the Attorney General (AG) by classifying the violations of this act's prohibition against certain blackouts as deceptive acts. The number violations by satellite providers, and the number of actions filed will ultimately determine the impact on the administrative costs of the AG. It is estimated that these provisions could be implemented by the AG through the use of existing staff and resources.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected,

revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail. A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Attorney General.

Local Agencies Affected: Trial courts, local law enforcement agencies. Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.